

Message Text

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ACTION ARA-14

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TAGS: ELAB, CI

SUBJ: CHILEAN GOVERNMENT STAGES ANOTHER LABOR MEETING

REF: SANTIAGO 2481

1. SUMMARY: PRESIDENT PINOCHET HELD HIS SECOND MASS MEETING THIS YEAR WITH ABOUT 2,000 CHILEAN WORKERS ON JULY 28. HE ANNOUNCED AN INCREASE IN PENSIONS FOR SOME RETIRED WORKERS AND PROMISED TO MEET WITH THEM AGAIN IN NOVEMBER. FINANCE AND LABOR MINISTERS ALSO SPOKE, DEFENDING CHILE'S ECONOMIC POLICY. NINE PRO-GOVERNMENT TRADE UNION LEADERS TOLD THE PRESIDENT THAT CHILEAN WORKERS HAD SEVERE ECONOMIC PROBLEMS. ALL SPOKE IN FAVOR OF COLLECTIVE BARGAINING AND ONE ASKED FOR THE RIGHT TO MEET FREELY. HOWEVER, NO ONE REQUESTED TRADE UNION ELECTIONS. END SUMMARY.

2. UNLIKE THE PREVIOUS EVENT IN MARCH 1978 PINOCHET DID NOT USE THE OCCASION TO CONDEMN THE MANIPULATION OF TRADE UNIONS BY POLITICAL DEMAGOGUES. HE STUCK STRICTLY TO TRADE UNION SUBJECTS. THE PRESIDENT NOTED THAT RETIRED PERSONS HAD SUFFERED GREATLY AND ANNOUNCED A PENSION READJUSTMENT WHICH WILL COST THE PENSION SYSTEM 80 MILLION DOLLARS THIS YEAR. THE PENSIONS FOR PERSONS RETIRING IN OR BEFORE DECEMBER 1972 WOULD BE ADJUSTED UPWARDS BY 117
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PERCENT, IN 1973 BY 42.9 PERCENT, IN 1974 BY 61.3 PERCENT AND THROUGH AUGUST 1975 BY 14.9 PERCENT. PENSIONS WILL NOT BE INCREASED FOR THOSE RECEIVING THE MINIMUM ALLOWABLE BENEFIT. PINOCHET ALSO ANNOUNCED THAT HE HAD PUT ASIDE 100 MILLION DOLLARS TO INCREASE SALARIES OF TEACHERS. PINOCHET ALSO CONFIRMED THE GOVERNMENT PLAN TO GIVE A SPECIAL ONE-TIME BONUS OF A DOUBLE FAMILY ALLOWANCE

TO ALL CHILEAN WORKERS IN SEPTEMBER. HE SAID THAT THIS MEASURE ALONE WILL COST THE GOVERNMENT 30 MILLION DOLLARS. PINOCHET NOTED THAT THE TOTAL PACKAGE WAS WORTH SOME 200 MILLION DOLLARS WHICH HE EMPHASIZED WOULD BE PAID BY THE GOVERNMENT OUT OF HARD CASH. PINOCHET NOTED THAT IT WOULD BE EASY FOR HIS GOVERNMENT TO GIVE WAGE INCREASES BY PRINTING MONEY BUT IT CHOSE TO FINANCE ALL ITS BENEFITS PROPERLY.

3. THE MINISTER OF FINANCE SERGIO DE CASTRO FOR THE FIRST TIME SPOKE AT A LABOR MEETING CHALLENGING LABOR'S ARGUMENTS THAT LABOR BORE THE BRUNT OF THE READJUSTMENT PROCESS BROUGHT ABOUT BY THE ECONOMIC ORIENTATION OF THE GOVERNMENT. DE CASTRO SAID THAT BUSINESSMEN ALSO HAD SUFFERED BECAUSE OF THE GOVERNMENT'S ECONOMIC POLICY. DE CASTRO SAID THAT WAGES AND SALARIES COULD NOT BE RAISED FURTHER.

4. THE MINISTER OF LABOR DEFENDED THE NEW LABOR CODE BUT SAID THAT HE WOULD STUDY THE PROBLEMS BROUGHT UP BY THE LABOR LEADERS. COSTA NOTED, HOWEVER, THAT THE INCREASE IN HOURS WORKED BY COMMERCIAL AND RETAIL CLERKS FROM 44 TO 48 HOURS A WEEK WAS A CAREFULLY STUDIED MEASURE. COSTA ALSO SAID THAT HE WOULD MEET WITH ANY AUTHENTIC LABOR LEADERS WHO WISHED TO DISCUSS LABOR PROBLEMS. HE CONCLUDED THAT THE PROMISED COLLECTIVE BARGAINING LAW WAS STILL UNDER STUDY.

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5. THE GOVERNMENT HAND-PICKED NINE LABOR LEADERS TO ADDRESS THE PRESIDENT. THREE OF THE NINE HAD SPOKEN BEFORE AT THESE MEETINGS, GUILLERMO MEDINA, LABOR REPRESENTATIVE TO THE COUNCIL OF STATE, RAUL ORREGO, EX-PRESIDENT OF THE GOC SPONSORED LABOR FRONT AND FEDERICO MUJICA, PRESIDENT OF THE PRIVATE EMPLOYEES CONFEDERATION. THE OTHERS, ARMANDO AGUIRRE, PRESIDENT OF FENSA-MADEMSA EMPLOYEES UNION; DANIEL LILLO, PRESIDENT OF THE CUSTOMS EMPLOYEES UNION; ISABEL NAVARRO, NEW PRESIDENT OF THE CONSTRUCTION EMPLOYEES UNION; WALTER TORO OF THE STEEL WORKERS CAP; AND SILVIA PENA OF THE TEACHERS ASSOCIATION WERE NEW TO THESE MEETINGS. ALL THE TRADE UNION LEADERS ADDRESSED THE PROBLEMS OF THE ECONOMIC SITUATION OF THEIR MEMBERS. SEVERAL MADE COMMENTS ABOUT THE NEW LABOR CODE. AND ONE, GUILLERMO MEDINA, ASKED THAT SECTIONS OF THE 1973 LABOR LAW PROHIBITING TRADE UNION ACTIVITY BE REPEALED TO PERMIT TRADE UNIONS THE RIGHT TO MEET FREELY.

6. MEDINA ALSO TOOK NOTE OF THE NEED TO RESTORE THE RIGHT TO FREELY ELECT TRADE UNION LEADERS. HE COMMENTED THAT ELECTIONS WERE IMPORTANT BUT INSISTED THAT THEY MUST COME AFTER THE RIGHT TO BARGAIN COLLECTIVELY.

MEDINA ARGUED THAT PRIOR TO ELECTING TRADE UNIONISTS A STRONG AND STABLE SYSTEM OF COLLECTIVE BARGAINING SHOULD BE ESTABLISHED.

7. COMMENT: THIS WAS THE FIRST TIME SINCE THESE MEETINGS BEGAN THAT THE GOVERNMENT DID SOMETHING ABOUT THE ECONOMIC PROBLEMS CONFRONTING WORKING CHILEANS. BENEFITS WERE GIVEN TO THE RETIRED PEOPLE AND TO THE TEACHERS. HOWEVER, THE LEGAL RESTRICTIONS CONFRONTING CHILEAN LABOR WHICH PREVENTS FREE PARTICIPATION OF LABOR IN THE MARKET ECONOMY, ONCE AGAIN WERE NOT ADDRESSED IN A MEANINGFUL WAY. MORE THAN A YEAR AFTER THE GOVERNMENT ANNOUNCED THAT IT WOULD MOVE TO RESTORE COLLECTIVE BARGAINING, THE GOVERNMENT IS STILL STUDYING HOW TO BEGIN THIS PROCESS. IN ADDITION, THE GOC
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HAS TAKEN NO STEPS TO PERMIT LABOR LEADERS TO MEET FREELY, TO ELECT THEIR LEADERSHIP, OR TO STRIKE.
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